

KSC BRIFING

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PRESENT SUEZ ISSUES

NAVY review(s) completed.

I. Canal Operations: despite Nasr's reported threats to halt further canal clearance operations should Israel not withdraw from the Gaza strip and the Gulf of Aqaba, canal clearance continues unimpeded.

A. US Navy estimates that "limited transit"--i.e., for ships drawing 25 feet or less--is physically possible right now, and that unlimited transit will be possible by early March.

1. Navy says, however, that for "safe navigation" of 25 foot draft ships, three more wrecks should be removed.
2. UN estimates--limited transit by early March, unlimited by May--are purposely conservative.

B. As to overall settlement on canal, Nasr--strengthened by Sovs--is showing consistently tough attitude.

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II. Soviet Aid: continued private and public promises of Sov support for Egypt have encouraged Nasser to stand firm on his position.

A. Soviet ships may well be the first to transit the reopened canal--a bold means of publicizing the USSR's recognition of Egypt's de facto control.

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B. Anti-Israeli propaganda line--on the increase in Sov broadcasts to Middle East--is encouraging Nasser's advocacy on Israeli ship transit of canal.

III. Both the earliness of the date at which canal traffic may be resumed and the continuing stiffness of the Egyptian attitude on canal negotiations raise the possibility of another head-on collision between Egypt and the Western canal-users.

A. With less time left for either side to modify its stand or work out face-saving devices, Nasser's relations with the Franco-British combine could again reach crisis proportions.

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